

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-09 IO-13 ISO-00 FEA-01 AGRE-00
CEA-01 CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05
CIEP-02 SS-15 STR-04 ITC-01 TRSE-00 USIA-15 PRS-01
SP-02 OMB-01 /119 W

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R 090701Z DEC 76

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 9470

INFO AMCONSUL BRISBANE

USDEL MTN GENEVA

AMEMBASSY LONDON

AMCONSUL MELBOURNE

USMISSION OECD PARIS

AMCONSUL PERTH

AMCONSUL SYDNEY

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

UNCLAS CANBERRA 8885

E.9. 11652: N/A

TAGS: ETRD, EFIN, EALR, AS

SUBJ: TARIFF CUTS ANNOUNCED

REF: CNABERRA 8766

1. MINISTER FOR BUSINESS AND CONSUMER AFFAIRS HOWARD ANNOUNCED DECEMBER 7 THAT THERE WILL BE NO GENERAL REDUCTION IN TARIFFS BUT THAT FOLLOWING TARIFF AND TRADE MEASURES WILL BE TAKEN:
A. ELIMINATION OF BRITISH PREFERENTIAL MARGIN BY REDUCTION OF GENERAL TARIFF RATE ON ABOUT 700 ITEMS; B. REDUCTION OF BRITISH PREFERENTIAL MARGIN BY REDUCTION OF GENERAL TARIFF RATE ON ABOUT 100 ADDITIONAL ITEMS; C. ELIMINATION OF BOTH BRITISH PREFERENTIAL AND GENERAL TARIFF RATES ON ABOUT 100 ITEMS; D. REMOVAL FROM DECEMBER 8 OF QUANTITATIVE RESTRICTIONS ON CBU PASSENGER MOTOR VEHICLES AND TARIFF QUOTAS ON CKD PASSENGER MOTOR VEHICLES; E. REMOVAL AS SOON AS TARIFF ARRANGEMENTS CAN BE MADE OF TARIFF QUOTAS ON GALVANIZED STEEL SHEET AND OF UNCLASSIFIED

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TEMPORARY DUTY ON MONOCHROME TV RECEIVERS AND CERTAIN RELATED

ELECTRONIC COMPONENTS; F. REMOVAL OF "PRIMAGE" DUTIES
INTRODUCED AS TEMPORARY REVENUE MEASURE IN 1930'S ON SOME
ITEMS TO WHICH THEY STILL APPLY (PRIMAGE AT 3 PERCENT OR
7 PERCENT AD VALOREM APPLIES TO 350 ITEMS WHOSE FY 76 IMPORT
VALUE WAS \$150 MILLION; COLLECTION WAS D\$8.5 MILLION).

2. CHANGES, EXCLUDING "F" ABOVE, WILL AFFECT 900 OUT OF
2,750 TARIFF ITEMS. IMPORTS OF THESE ITEMS TOTAL ABOUT
A\$1,800 MILLION ANNUALLY.

3. REDUCTIONS ARE THOSE IDENTIFIED IN A JANUARY 1976
INDUSTRY ASSISTANCE COMMISSION (IAC) REPORT WHICH IDENTIFIED
POSSIBLE TARIFF REDUCTIONS IN CONTEXT OF MULTILATERAL TRADE
NEGOTIATIONS. USE OF THIS STUDY SOLVED PROCEDURAL DIFFICULTY
CITED REFTEL BY WHICH IAC PRODUCT RECOMMENDATIONS MUST
PRECEDE SELECTIVE TARIFF CUTS (IT ALSO WIPES OUT AUSTRALIAN
MTN NEGOTIATING PACKAGE).

4. TARIFF REDUCTIONS WILL BE IMPLEMENTED AS SOON AS POSSIBLE,
HOWARD ANNOUNCED, ALTHOUGH BECAUSE OF PROCEDURAL REQUIREMENTS
NOT ALL CHANGES WILL BE COMPLETED UNTIL JANUARY 31, 1977.

5. HOWARD STATED THAT GOVERNMENT WILL REFER REMAINING
PRIMAGE DUTIES TO IAC FOR REVIEW. SOME COMPLETED BUT
UNIMPLEMENTED IAC REPORTS MAY ALSO BE RETURNED TO IAC FOR
REASSESSMENT IN LIGHT OF DEVALUATION, AND ONGOING SECTOR-BY
SECTOR TARIFF REVIEW WILL BE CONTINUED, WITH GOVERNMENT
DECISIONS "TAKEN IN THE LIGHT OF THE IMPROVED COMPETITIVE
POSITION OF AUSTRALIAN INDUSTRY..."

6. LIST OF AFFECTED ITEMS BY TARIFF NUMBER AND DESCRIPTION
BECAME AVAILABLE TODAY. HOWEVER, NEW DUTIES AND EXTENT OF
REDUCTIONS, AS WELL AS TRADE VALUES, WERE NOT INCLUDED IN
RELEASE, WHICH CAME IN FORM OF BUREAU OF CUSTOMS NOTICE.
DEPARTMENT OF OVERSEAS TRADE IS PRESENTLY ASSEMBLING THIS
DATA, NECESSARY FOR ANALYSIS. GENERAL PRESS REACTION, BASED
ON INTUITION MORE THAN ANALYSIS, HAS BEEN THAT CUTS ARE MORE
COSMETIC THAN MEANINGFUL. THIS IS CERTAINLY CASE WITH
REMOVAL OF MOTOR VEHICLE RESTRICTIONS, MINISTER HOWARD'S
ANNOUNCEMENT OF THEIR REMOVAL WAS FORLLOWED BY A REAFFIRMA-
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TION OF GOVERNMENT POLICY TO LIMIT AUTOMOBILE IMPORTS TO 20
PERCENT OF MARKET. RESTRICTIONS HAD BEEN IMPOSED WHEN MARKET
FORCES THREATENED TO PUSH FIGURE ABOVE 20 PERCENT.

7. COPY OF CUSTOMS NOTICE BEING AIRMAILED SILLOWAY, COMMERCE
IMMEDIATELY. EMBASSY HOPES TO TRANSMIT DETAILED DATA AND ADDITIONAL
ANALYSIS SHORTLY. BECAUSE OF AUSTRALIAN OBLIGATIONS UNDER
BILATERAL TRADE AGREEMENTS, DEPARTMENT OF OVERSEAS TRADE IS

GIVING PRIORITY ATTENTION TO COMPILED AND ASSESSMENT OF
TARIFF REDUCTIONS.
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Message Attributes

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Disposition Event:
Disposition History: n/a
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Margaret P. Grafeld
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